

here; and we've got it back from Curt Bromm's office, finally. Now, the amendment on 1258. LB 1258 is an amendment to the Business Corporation Act that we passed last year, January 1, LB 109. In that situation we changed the existing rule for preemptive shareholder rights in the state. The old rule was, that if your Articles of Incorporation did not speak about the issue, there were preemptive shareholder rights. Preemptive shareholder rights means that existing shareholders get to keep their percentage of stock ownership, should there be a new issuance of stock. What happens is, you go back to the existing shareholders and they're given first priority to see that they can control the same percentage that they have historically controlled. So they get a preemptive right to keep their own position in the corporation. The old rule was, if the articles are silent, you have preemptive rights. The new Model Business Corporation Act takes the flip side and says, if your articles are silent, there is no preemptive right. You've got to create it in the articles. Well, because we move from one to the other or because we moved from one to the other last year, the question became, what do you do in that transition? And the bill is about how we make that transition and it says that a corporation that was formed before January 1, 1996, will continue to have preemptive rights to acquire unissued shares if the articles did not, on January 1, 1996, expressly eliminate such preemptive rights to its shareholders. The committee amendment amend the new language to clarify that the Articles of Incorporation organized under the former law may be amended, on or after January 1, 1996, to expressly eliminate preemptive rights. So, a corporation formed before this transition date can change and conform to the new rule if they wish to and the change is actually to move from, on January 1, 1996, to, on or after January 1, 1996. Thank you, Mr. Speaker.

SPEAKER WITHEM: Thank you, Senator Landis. Any discussion on the committee amendments? Seeing none, you're recognized to close.

SENATOR LANDIS: All I can say is that Senator Bromm has not shown his face so far today and I can see why. Move the adoption of the amendment. (Laughter)

SPEAKER WITHEM: The question before the body is, shall the committee amendments be adopted to LB 1258? Record.